

The Affordable Care Act Implications for Small Business



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My Background

- ❖ Harris Health System (Harris County Hospital District)
Board of Managers: 2009 - 2012
35,000 admissions; ~1.5 million ambulatory visits/year
- ❖ Indo-American Chamber of Commerce of Greater Houston
Board of Directors: 2004 - 2011
President: 2007 – 2009
Major focus on the needs of small businesses
- ❖ Ran a small business and worked for major corporations

Understand Healthcare from Multiple Perspectives.

Implications for Small Businesses

- ❖ Can save small businesses money through tax credits
- ❖ Helps businesses find better coverage options
- ❖ Sets minimum coverage expectations
- ❖ Can make healthcare more affordable

Significant Potential Upside Without Penalties for Small Business.

Savings From Tax Credits

- ❖ For 25 or fewer FTEs and \$50,000 or less in average wages
- ❖ Sliding scale; full credit at 10 FTEs, \$25,000 average wage
- ❖ Up to 35% of the cost of coverage rising to 50% in 2014
- ❖ 25 - 50 employees: no tax credit but no penalties

Still time to amend 2012 Tax Returns!

Expanded Coverage Options

- ❖ Beginning 2014, access to Insurance Exchanges
- ❖ Will allow employers to search for health plans, enroll employees, and consolidate billing
- ❖ Individuals and employees of small businesses can spread risk across a big pool of workers just like large businesses
- ❖ Private exchanges will also be available although tax credits will not apply

Either State or Federally Designed Exchange Will Be In Place.

Minimum Coverage Expectations

Already in Place:

- ❖ Children to age 26 kept on parent's policy
- ❖ No lifetime maximums

Starting in 2014

- ❖ No pre-existing conditions
- ❖ Limits on rate variations
- ❖ Limits on deductibles

Insurance must also include ten categories of Essential Health Benefits.

More Affordable Healthcare?

- ❖ Minimum medical loss ratio requirements (80% for individuals and small group)
- ❖ Control over premium increases of 10% or more
- ❖ Reduce the burden from uninsured through individual and employer (>50 FTEs) coverage requirements
- ❖ Potential additional coverage through Medicaid Expansion (dependent on individual states)

Changes expect to more than offset costs of expanded coverage.

Bottom Line ...

Good deal for small businesses!

Harris Health System (HCHD)

- ❖ Fully integrated healthcare system that cares for all residents of Harris County.
- ❖ Facilities include three Hospitals, 16 Ambulatory Health Centers, Dental Clinic, School-Based Clinics and a Dialysis Center.
- ❖ Staffed by Faculty from Baylor College of Medicine & U.T.
- ❖ 35,000 admissions, ~1.5 million ambulatory visits/year
- ❖ 63% Self-Pay, 23% Medicaid/CHIP, 9% Medicare
- ❖ Only 5% of patients are Asian American

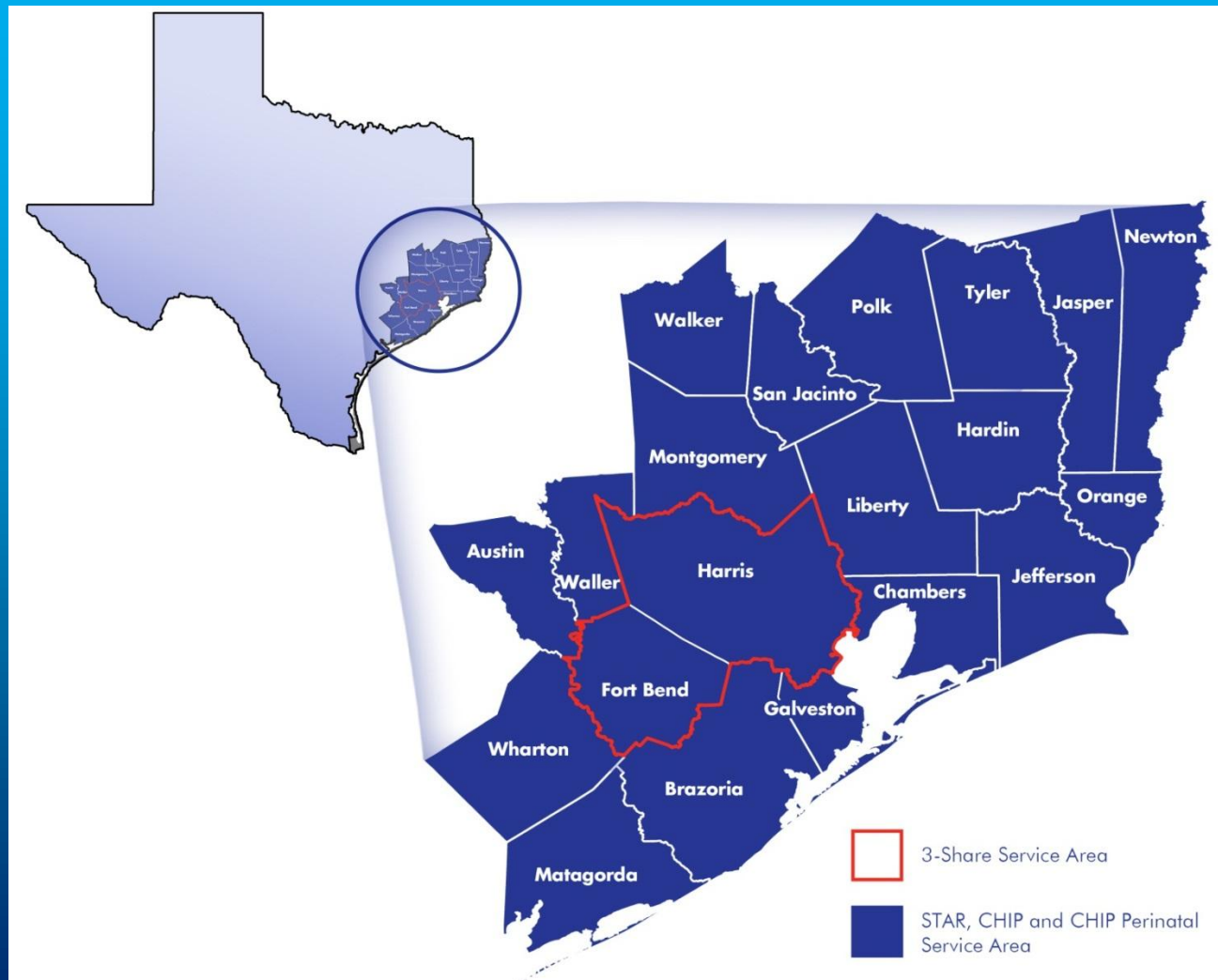
Local AAPI Community Underutilizing This Valuable Resource.

About Community Health Choice (CHC)

- ❖ Non-profit Health Maintenance Organization licensed by the Texas Department of Insurance
- ❖ Affiliate of the Harris County Hospital District
- ❖ Serves over 230,000 Members with the following programs:
 - ❖ Medicaid: State of Texas Access Reform (STAR) program for low-income children and pregnant women
 - ❖ CHIP: Children's Health Insurance Program for the children of low-income parents—includes CHIP Perinatal benefits for unborn children of pregnant women who do not qualify for Medicaid STAR
 - ❖ 3-Share Plan: TexHealth Harris County 3-Share Plan that subsidizes the premiums of a limited benefit plan for previously uninsured, low-income employees of small businesses

CHC Also Provides Valuable Resources including the 3-Share Plan

CHC Service Area Map



CHC Service Area Stretches Well Beyond Harris County